

May 30, 2003

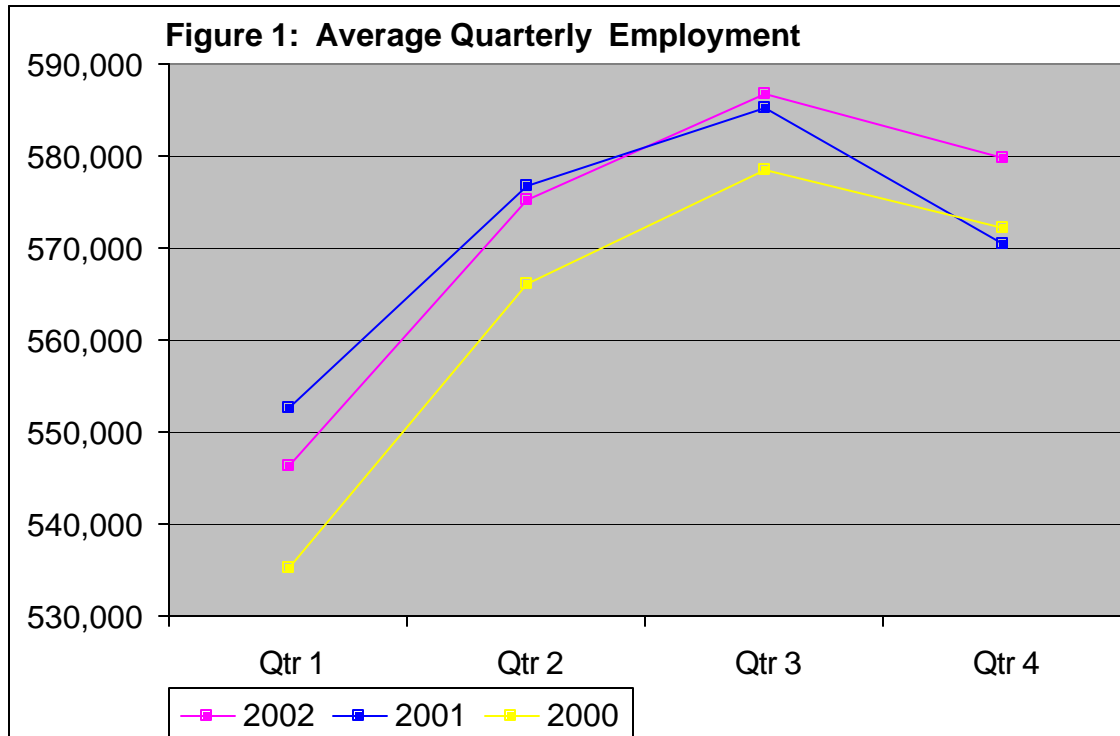
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Analysis of 2002 Fourth Quarter Covered Employment and Wages

Fourth Quarter 2002 Covered Employment

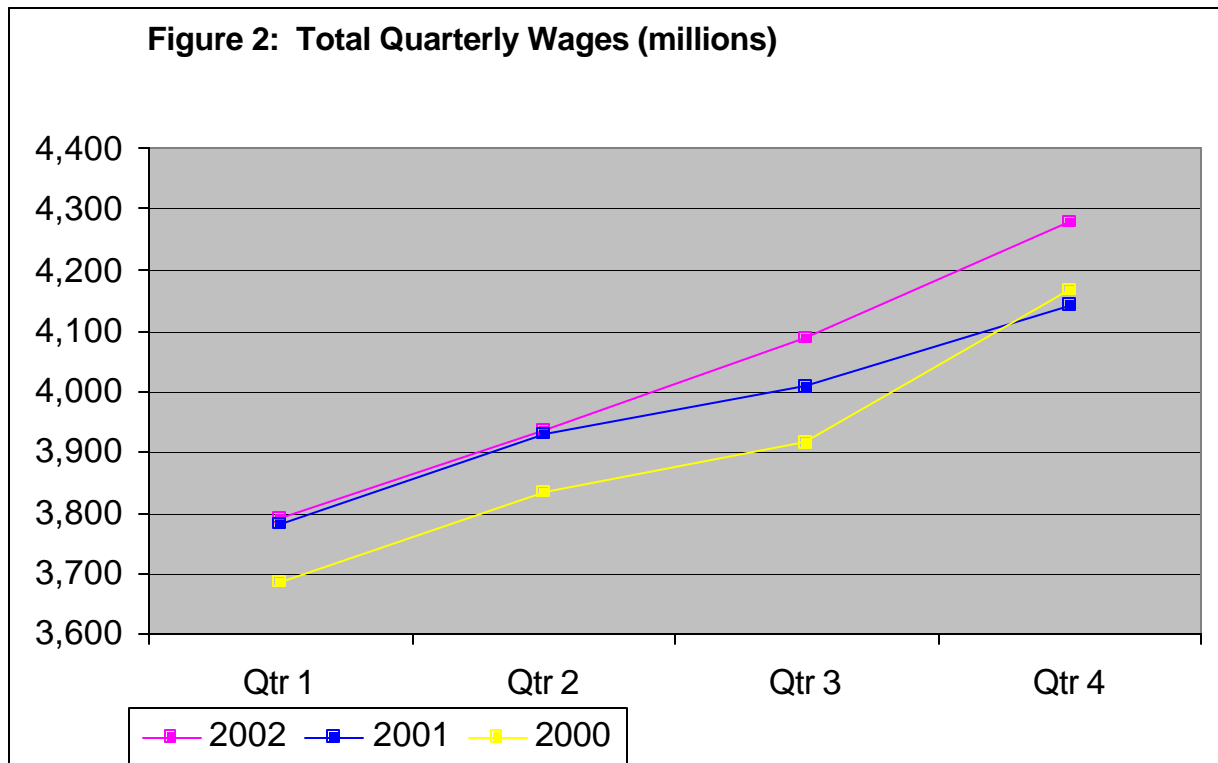
Compared to 2001, there has been a gradual recovery of covered employment in Idaho since first quarter 2002. In first quarter 2002, average quarterly covered employment was 6,296 below first quarter 2001. In contrast, third quarter 2002 showed an average quarterly covered employment 1,645 above third quarter 2001. Finally, in fourth quarter, average quarterly covered employment was 9,400 above fourth quarter 2001. Although the average quarterly covered employment growth in 2002 was only 0.15 percent, fourth quarter covered employment growth does indicate some recovery from the economic slowdown of 2001.

Figure 1 shows average covered employment by quarter from 2000 to 2002. The graph shows the dip in covered employment in fourth quarter 2001 as the impact of the economic slowdown was felt in Idaho. Note that in the fourth quarter 2001, covered employment fell below the fourth quarter 2000 level. The graph also shows the recovery of covered employment from the first to the fourth quarters of 2002 compared to 2001.



Fourth Quarter 2002 Covered Wages

In contrast to covered employment, total quarterly covered wages in 2002 exceeded covered wages in the respective quarters of 2001. Figure 2 shows covered wages by quarter from 2000 to 2002. In first and second quarters 2002, covered wages were only slightly ahead of 2001. However, in third quarter 2002, covered wages increased by 2.0 percent over third quarter 2001; and in the fourth quarter, covered wages increased by 3.4 percent over fourth quarter 2001. The graph also shows the slowdown in the increase in total quarterly covered wages that occurred in fourth quarter 2001. Note that covered wages in fourth quarter 2001 actually fell below the covered wages in fourth quarter 2000.



NAICS Sector Employment and Wages

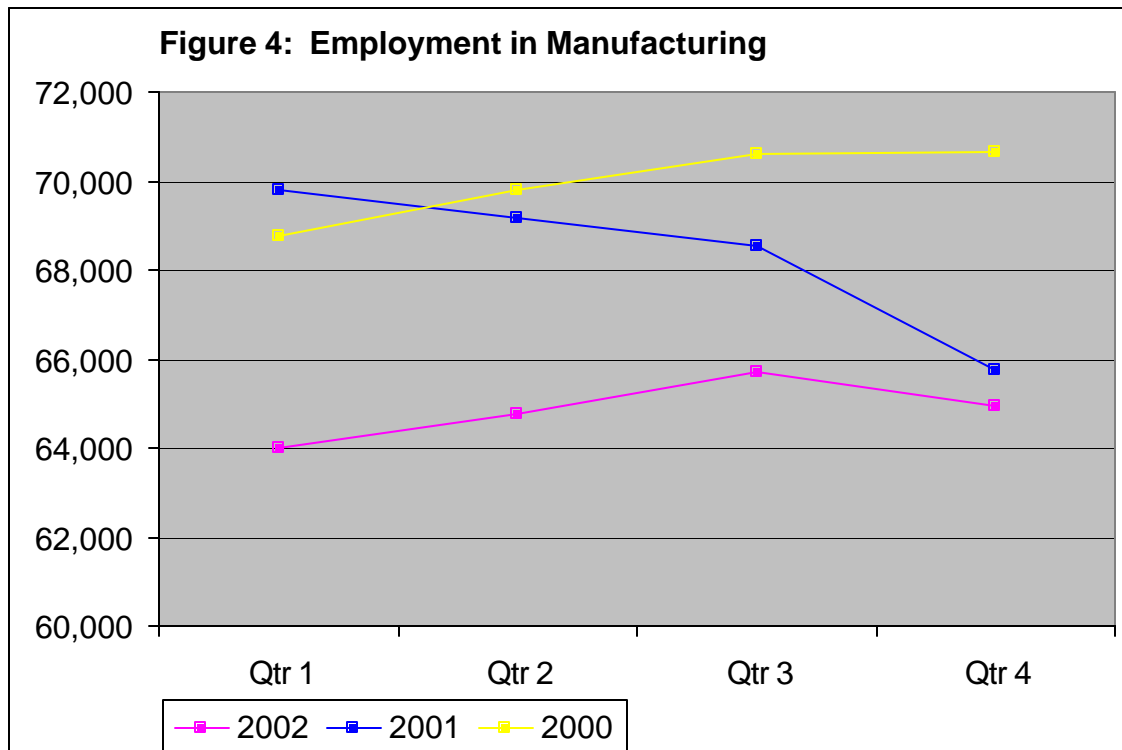
In the *Goods-Producing Industries* of Idaho's economy, fourth quarter 2002 average quarterly employment decreased by 3,900 (3.1 percent) compared to fourth quarter 2001. However, fourth quarter 2002 total quarterly wages increased by more than \$37 million (3.4 percent) compared to fourth quarter 2001. Fourth quarter 2002 covered employment increased in the *Agriculture* and *Construction* sectors, but decreased in the *Manufacturing* and *Mining* sectors compared to fourth quarter 2001. In contrast, covered wages for fourth quarter 2002 increased in the *Agriculture*, *Construction*, and *Manufacturing* sectors, but decreased in the *Mining* sector compared to fourth quarter 2001.

Figure 3 shows average quarterly covered employment in Idaho's *Goods-Producing Industries* from 2000 to 2002. Over the year, covered

employment growth in the *Goods-Producing Industries* has gradually closed the gap with covered employment in 2001. In first quarter 2002, covered employment was 8,400 below first quarter 2001; by fourth quarter 2002, covered employment was 1,400 above fourth quarter 2001. However, covered employment throughout 2002 remained below the record level of 2000.



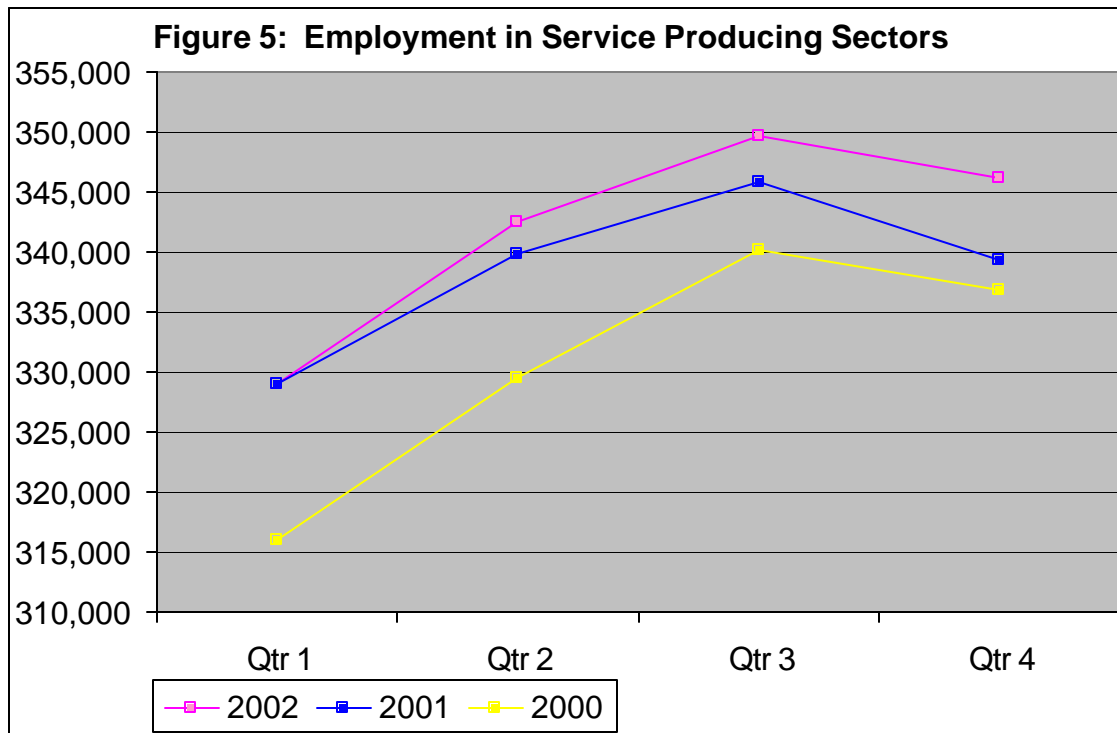
Figure 4 shows covered employment in the *Manufacturing* sector of the economy between 2000 and 2002. The graph shows the drop in covered employment in *Manufacturing* that began in second quarter 2001 and continued into first quarter 2002. The second and third quarters of 2002 showed some recovery in covered employment, but covered employment in fourth quarter 2002 is still below fourth quarter 2001. Further, throughout 2002, covered employment in *Manufacturing* remained below the record levels of 2000. In 2002, covered employment in *Manufacturing* remained the weakest sector of the economy.



In the Service-Producing Industries of Idaho's economy (excluding *Government*), fourth quarter 2002 average quarterly covered employment increased by 6,900 (2.0 percent) and covered wages increased by more than \$79 million (3.5 percent) compared to fourth quarter 2001. Year-to-year covered employment increases occurred in *Retail Trade, Utilities, Finance & Insurance, Professional & Business Services, Educational Services, and in Leisure & Hospitality Services*. Year-to-year covered employment decreases occurred in *Wholesale Trade, Transportation & Warehousing, Information, and the Real Estate & Rental & Leasing* sectors of the economy.

Figure 5 shows average quarterly covered employment in Idaho's *Service-Producing Industries* sector (excluding *Government*) from 2000 to 2002. In contrast to the *Goods-Producing Industries*, covered employment

in the *Service* industries never decreased below the level of 2000. Rather, the rate of employment growth slowed between 2000 and 2001 and increased slightly in 2002. Thus, fourth quarter 2002, covered employment in the *Service-Producing Industries* (excluding *Government*) was 6,900 (2.0 percent) above fourth quarter 2001.



Total Covered *Government* Employment

Total covered *Government* employment increased slightly in fourth quarter 2002 (1.1 percent) compared to fourth quarter 2001, but remained below employment in fourth quarter 2000. Figure 6 shows *Government* covered employment from 2000 to 2002. The decrease in *Government* covered employment from 2000 to 2001 was due to both economic and government policy. Over the year, covered employment in the *Government* sector in 2002 was slightly above the 2001 level.

Figure 6: Total Covered Government Employment

